

**Proposed programme budget
for the biennium 1998-1999*****Part X** **Jointly financed administrative activities and
special expenses****Section 30
Special expenses****Contents**

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* The present document contains section 30 of the proposed programme budget for the biennium 1998-1999. The complete proposed programme budget will subsequently be issued in final printed form as *Official Records of the General Assembly, Fifty-second Session, Supplement No. 6 (A/52/6/Rev.1)*.



Section 30

Special expenses

Overview

- 30.1 Under section 30, Special expenses, resources are provided to cover specific expenditure requirements for (a) after-service health insurance; (b) compensatory payments; (c) general insurance charges; (d) bank charges; (e) interorganizational security measures; and (f) pension payments to former Secretaries-General.

Table 30.1 **Summary of requirements by component**
(Thousands of United States dollars)

(1) Regular budget

Component	1994-1995 expenditures	1996-1997 appropriations	Resource growth		Total before revising	Revising	1998-1999 estimates
			Amount	Percentage			
A. After-service health insurance	29 054.0	36 781.9	5 096.3	13.8	41 878.2	5 964.5	47 842.7
B. Compensatory payments	2 090.2	1 768.2	38.6	2.1	1 806.8	95.1	1 901.9
C. General insurance	1 017.7	1 194.6	—	—	1 194.6	71.6	1 266.2
D. Bank charges	1 256.3	171.8	912.3	531.0	1 084.1	65.0	1 149.1
E. Interorganizational security measures	892.4	1 013.4	(167.4)	(16.5)	846.0	53.6	899.6
F. Pension payments to former Secretaries-General	—	420.5	203.5	48.3	624.0	37.3	661.3
Total	34 310.6	41 350.4	6 083.3	14.7	47 433.7	6 287.1	53 720.8

(2) Extrabudgetary resources

	1994-1995 expenditures	1996-1997 estimates	Source of funds	1998-1999 estimates
	—	—	(a) Services in support of:	
	—	3 751.8	(i) United Nations organizations	—
	208.6	260.3	(ii) Extrabudgetary activities	4 880.0
	—	—	Support to peacekeeping operations	298.0
	—	—	(b) Substantive activities	—
	—	—	(c) Operational projects	—
Total	208.6	4 012.1		5 178.0
Total (1) and (2)	34 519.2	45 362.5		58 898.8

Table 30.2 Summary by object of expenditure
(Thousands of United States dollars)

(1) Regular budget

Object of expenditure	1994-1995 expenditures	1996-1997 appropriations	Resource growth		Total before recosting	Recosting	1998-1999 estimates
			Amount	Percentage			
Other staff costs	31 912.8	38 550.1	5 134.9	13.3	43 685.0	6 059.6	49 744.6
Non-staff compensation	—	420.5	203.5	48.3	624.0	37.3	661.3
Consultants	1.1	—	—	—	—	—	—
Travel	27.2	—	—	—	—	—	—
Contractual services	11.8	—	—	—	—	—	—
General operating expenses	2 357.7	1 366.4	912.3	66.7	2 278.7	136.6	2 415.3
Grants and contributions	—	1 013.4	(167.4)	(16.5)	846.0	53.6	899.6
Total	34 310.6	41 350.4	6 063.3	14.7	47 433.7	6 287.1	53 720.8

(2) Extrabudgetary resources

	1994-1995 expenditures	1996-1997 estimates	Object of expenditure	1998-1999 estimates
	208.6	260.3	Posts	298.0
	—	3 751.8	Other staff costs	4 880.0
	—	—	General operating expenses	—
	—	—	Supplies	—
	—	—	Equipment	—
Total	208.6	4 012.1		5 178.0
Total (1) and (2)	34 519.2	45 362.5		58 898.8

A. After-service health insurance

Table 30.3 Summary by object of expenditure
(Thousands of United States dollars)

(1) Regular budget

Object of expenditure	1994-1995 expenditures	1996-1997 appropriations	Resource growth		Total before recosting	Recosting	1998-1999 estimates
			Amount	Percentage			
Other staff costs	29 052.7	36 781.9	5 096.3	13.8	41 878.2	5 964.5	47 842.7
General operating expenses	1.3	—	—	—	—	—	—
Total	29 054.0	36 781.9	5 096.3	13.8	41 878.2	5 964.5	47 842.7

(2) *Extrabudgetary resources*

	1994-1995 expendi- tures	1996-1997 estimates	Source of funds	1998-1999 estimates
	—	—	(a) Services in support of:	
	—	3 751.8	(i) United Nations organizations	—
	—	—	(ii) Extrabudgetary activities	4 880.0
	—	—	(b) Substantive activities	—
	—	—	(c) Operational projects	—
Total	—	3 751.8		4 880.0
Total (1) and (2)	29 054.0	40 533.7		52 722.7

- 30.2 After-service health insurance coverage (for hospitalization, medical and dental expenses) is provided to retired staff members and their dependants in accordance with a General Assembly decision taken at its twenty-first session. By the same decision, coverage is also provided to staff members whose appointment is terminated as a result of disability. In all cases, coverage is available only to those who are eligible to receive a periodic benefit from the United Nations Joint Staff Pension Fund or under the rules governing compensation for service-incurred death, injury or illness. Based on General Assembly resolution 38/235 of 20 December 1983, the cost-sharing ratio applicable is 2 to 1 between the Organization and the participants.
- 30.3 By its resolution 40/258 of 18 December 1985, the General Assembly decided to extend the after-service health insurance coverage to former locally recruited staff who participated in a medical expense assistance plan under appendix E to the Staff Rules.
- 30.4 Following retirement, staff members are eligible for subsidized after-service coverage if they have participated in a United Nations system contributory health insurance plan for at least 10 years and are participating in a United Nations plan at the time of retirement. Staff members who upon retirement have participated in a United Nations contributory plan for at least five years are also eligible, provided that they pay the full premium for the period for which their participation falls short of the 10-year requirement for subsidized participation.
- 30.5 The after-service health insurance programme has since grown in terms of both the number of participants and cost. The growth in resource requirements has stemmed from a combination of growth in the number of participants and the high rate of inflation of medical costs and the related insurance premiums. While the costs of medical services continue to rise at rates higher than the cost of living, some of the increase that would otherwise be incurred has been offset by cost containment measures implemented during the course of the bienniums 1994-1995 and 1996-1997, particularly with respect to the health insurance plans offered at Headquarters. Efforts in this respect are ongoing and will continue to be accorded a high priority in the biennium 1998-1999.

Resource requirements (at current rates)*Other staff costs*

- 30.6 The estimated requirement of \$41,878,200 is based on an anticipated 7 per cent annual increase in membership in the insurance programme during the biennium 1998-1999, and on the assumption that at Headquarters, 89.8 per cent of the total subsidy is attributable to the regular budget and 10.2 per cent to extrabudgetary accounts. This percentage is based on an analysis of the relative share of staff enrolled in the after-service health insurance programme who at the time of retirement were financed from extrabudgetary sources.

B. Compensatory payments

Table 30.4 Summary by object of expenditure
(Thousands of United States dollars)

Object of expenditure	1994-1995 expenditures	1996-1997 appropriations	Resource growth		Total before recosting	Recosting	1998-1999 estimates
			Amount	Percentage			
Other staff costs	2 090.2	1 768.2	38.6	2.1	1 806.8	95.1	1 901.9
Total	2 090.2	1 768.2	38.6	2.1	1 806.8	95.1	1 901.9

- 30.7 The estimates under compensatory payments provide for compensation to members of commissions, committees or other similar United Nations bodies in the event of death, injury or illness attributable to service with the United Nations. The responsibilities of the United Nations in this area, as well as the rules governing compensatory payments, are detailed in ST/SGB/103/Rev.1.
- 30.8 Compensation is also provided to staff members or their dependants in event of death, injury or illness attributable to the performance by the staff member of official duties on behalf of the United Nations. The compensation is governed by the specific rules under appendix D to the Staff Rules, as detailed in ST/SGB/Staff Rules/Appendix D/Rev.1/Amend.1.
- 30.9 The costs incurred on both those accounts may include death annuities, monthly benefits for incapacity resulting from injury or illness, lump-sum indemnities for permanent disabilities, and medical, hospital and other directly related expenses.

Resource requirements (at current rates)

Other staff costs

- 30.10 The estimated requirement of \$1,806,800 for compensatory payments is based on data for the years 1990 to 1996 projected for the biennium 1998-1999.

C. General insurance

Table 30.5 Summary by object of expenditure
(Thousands of United States dollars)

Object of expenditure	1994-1995 expenditures	1996-1997 appropriations	Resource growth		Total before recosting	Recosting	1998-1999 estimates
			Amount	Percentage			
General operating expenses	1 017.7	1 194.6	—	—	1 194.6	71.6	1 266.2
Total	1 017.7	1 194.6	—	—	1 194.6	71.6	1 266.2

- 30.11 The provisions under general insurance relate mainly to insurance of the buildings and property at United Nations Headquarters, including automobiles and art works, as well as to insurance of aircraft used for travel by the Secretary-General and not owned by the United Nations, and insurance for other air travel. In addition, in accordance with General Assembly resolution 41/210 of 11 December 1986, the United Nations has established a self-insurance plan for general liability risk in respect of acts occurring within the Headquarters district in the United States of America.

Resource requirements (at current rates)

General operating expenses

- 30.12 Property and liability insurance rates are projected to be relatively stable in 1998-1999 based on trends foreseen at the present time. As a result, the requirements sought under this heading are at the maintenance level. Included in the estimated requirement of \$1,194,600 for general insurance are provisions of \$728,400 for commercial insurance, estimated on the basis of recent trends in premium rates in the commercial insurance markets, and \$466,200 for general liability insurance. General liability insurance is broken down as follows:

		United States dollars
(a)	Costs of irrevocable letter of credit (in replacement of costs of purchased certificates of insurance)	13 200
(b)	Costs of liability claims processing and associated legal expenses and expert advice	53 000
(c)	Two annual instalments (\$200,000 each) for the liability reserve fund under the self-insurance plan in accordance with General Assembly resolution 41/210	400 000
Total		466 200

D. Bank charges

Table 30.6 **Summary by object of expenditure**
(Thousands of United States dollars)

Object of expenditure	1994-1995 expenditures	1996-1997 appropriations	Resource growth		Total before recosting	Recosting	1998-1999 estimates
			Amount	Percentage			
General operating expenses	1 256.3	171.8	912.3	531.0	1 084.1	65.0	1 149.1
Total	1 256.3	171.8	912.3	531.0	1 084.1	65.0	1 149.1

Resource requirements (at current rates)

General operating expenses

- 30.13 The estimated requirement of \$1,084,100 relates to airmail, cable and commission costs charged to the Organization by banks in respect of remittance and bank transfers made by them on its behalf. The increase is attributable to a departure from prior arrangements whereby United Nations bank balances earned artificially low (sub-market) rates of interest, the benefit of which arrangement accrued to banks allowing them to charge artificially low service charges. Under the new banking agreement, United Nations bank balances in United States dollars earn a full market rate of interest and bank fees are based on rates established through a competitive bidding system.

E. Interorganizational security measures

1. United Nations share

Table 30.7 Estimates for interorganizational security measures
(Thousands of United States dollars)

(1) Regular budget

Object of expenditure	1994-1995 expenditures	1996-1997 appropriations	Resource growth		Total before recosting	Recosting	1998-1999 estimates
			Amount	Percentage			
Grants and contributions	892.4	1 013.4	(167.4)	(16.5)	846.0	53.6	899.6
Total	892.4	1 013.4	(167.4)	(16.5)	846.0	53.6	899.6

(2) Extrabudgetary resources

	1994-1995 expenditures	1996-1997 estimates	Source of funds	1998-1999 estimates
			(a) Services in support of:	
	—	—	(i) United Nations organizations	—
	—	—	(ii) Extrabudgetary activities	—
	208.6	260.3	Support account for peacekeeping operations	298.0
	—	—	(b) Substantive activities	—
	—	—	(c) Operational projects	—
Total	208.6	260.3		298.0
Total (1) and (2)	1 101.0	1 273.7		1 197.6

- 30.14 Beginning with the 1996-1997 programme budget, the United Nations share of the costs of (a) insurance coverage for hazardous duty stations and (b) the staff of the United Nations Security Coordinator was included in the United Nations regular budget. The provision of the resolution on unforeseen and extraordinary expenditures would continue to apply to security expenses for which requirements cannot be foreseen at this stage, such as evacuations, provision of moveable equipment for security purposes, short-term security personnel in an emergency and field security missions deemed necessary by the United Nations Security Coordinator. All costs included in the programme budget as well as those incurred under the resolution on unforeseen and extraordinary expenditures are apportioned to organizations in accordance with the formula agreed on by the Administrative Committee on Coordination.
- 30.15 The United Nations Security Coordinator acts on behalf of the Secretary-General to ensure a coherent response by the United Nations to any emergency situation and is responsible for all policy/procedural matters related to security, including decisions relating to all aspects of evacuations. The United Nations Security Coordinator formulates detailed recommendations aimed at ensuring the safety and security of staff members and eligible family members of the entire United Nations system, initiates discussions with representatives of agencies, political departments and other relevant offices in the Organization on current and potential security-related problems and is responsible for coordinating, planning and implementing inter-agency security and safety programmes and for acting as the focal point for inter-agency cooperation.
- 30.16 The Office of the United Nations Security Coordinator consists of two Professional (one D-1 and one P-3) and two General Service staff members who, following a decision by the Administrative Committee on Coordination, are funded on an inter-agency basis. In addition, one P-4 post is funded from the support account for peacekeeping operations, while one P-5 and one General Service post are provided on a non-reimbursable loan by UNDP, and one P-4 by UNICEF, UNHCR and WFP.

Activities**1. Parliamentary services**

Parliamentary documentation. Annual report of the Secretary-General on respect for the privileges and immunities of officials of the United Nations and the specialized agencies and related organizations.

2. Published material

Technical material. United Nations Security Handbook.

3. Coordination, harmonization and liaison

(a) Coordinating all aspects of inter-agency security cooperation, including coordinating, planning and implementing inter-agency security and safety programmes, as well as organizing and managing evacuation of United Nations system staff, as necessary;

(b) Maintaining liaison with permanent missions as necessary;

(c) Annual reports to the Administrative Committee on Coordination through the Consultative Committee on Administrative Questions (Financial and Budgetary Questions) and the Consultative Committee on Administrative Questions (Personnel and General Administrative Questions);

(d) Developing an interorganizational programme for critical incident stress management, including the development of training programmes and strategies for organizations to respond to emergency situations where staff have been affected by violence;

(e) Organizing and conducting seminars and inter-agency meetings on an ad hoc basis, including preparation of all documentation required therefor;

(f) Preparation of daily/monthly security reports, which are sent to all United Nations organizations and are also distributed internally;

(g) Coordinating all issues and actions required in cases of arrest/detention of United Nations staff or dependants.

4. Administrative support services

(a) Monitoring on a close and continuous basis the prevailing level of security risk for each field office;

(b) Assessing the level of security planning and preparedness and ensuring the viability of a specific detailed security plan at each duty station for both international and national staff;

(c) Providing staff in the field with advice and guidance regarding the management of security problems;

(d) Briefing staff prior to assignment to their duty station;

(e) Collecting, interpreting and disseminating information regarding potential threats to security of United Nations system staff;

(f) Organizing, managing and coordinating evacuation of United Nations staff and dependants as necessary;

(g) Supervising and instructing the field-based corps of Field Security Officers, who are hired on an inter-agency basis by UNDP;

(h) Undertaking security-related evaluation missions to appraise specific aspects of security on site;

(i) Developing, organizing and presenting security-related training programmes and organizing training seminars in cooperation with the United Nations Training Service and services of other organizations;

(j) Conducting investigations, as required, into the deaths of staff members in the field under suspicious circumstances;

(k) Managing the malicious acts insurance policy covering approximately 20,000 staff members.

30.17 In accordance with the formula agreed on by the Administrative Committee on Coordination, the share of the United Nations for the cost of interorganizational security measures is estimated at \$846,000,

including the United Nations share of hazardous duty station life insurance coverage (\$648,000). The total requirements are contained in table 30.8 below.

2. Total requirements for interorganizational security measures

Table 30.8 **Summary by object of expenditure**
(Thousands of United States dollars)

Object of expenditure	1994-1995 expenditures	1996-1997 appropriations	Resource growth		Total before recosting	Recosting	1994-1999 estimates
			Amount	Percentage			
Posts	654.5	653.4	21.6	3.3	675.0	43.1	718.1
Insurance	3 767.2	3 733.1	(133.0)	(3.6)	3 600.1	215.6	3 815.7
Other staff costs	1.1	2.0	—	—	2.0	0.1	2.1
Consultants and experts	5.7	—	—	—	—	—	—
Travel	67.0	103.8	94.3	90.8	198.1	11.8	209.9
Contractual services	7.3	—	—	—	—	—	—
General operating expenses	419.7	153.6	(100.9)	(65.6)	52.7	3.1	55.8
Hospitality	—	1.4	(1.4)	(100.0)	—	—	—
Supplies and materials	6.0	6.6	(0.1)	(1.5)	6.5	0.4	6.9
Furniture and equipment	24.4	—	9.7	—	9.7	0.6	10.3
Total	4 952.9	4 653.9	(109.8)	(2.3)	4 544.1	274.7	4 818.8

Table 30.9 **Post requirements***

Programme: Interorganizational security measures

	Established posts		Temporary posts				Total	
	Regular budget		Regular budget		Extrabudgetary resources			
	1996-1997	1998-1999	1996-1997	1998-1999	1996-1997	1998-1999		
Professional category and above								
D-1	1	1	—	—	—	—	1	1
P-5	—	—	—	—	1	1	1	1
P-4	—	—	—	—	2	2	2	2
P-3	1	1	—	—	—	—	1	1
Total	2	2	—	—	3	3	5	5
General Service category								
Other levels	2	2	—	—	1	1	3	3
Total	2	2	—	—	1	1	3	3
Grand total	4	4	—	—	4	4	8	8

* One P-5 and one General Service post provided on a non-reimbursable loan by UNDP and one P-4 post by UNICEF, UNHCR and WFP, one P-4 post funded from the support account for peacekeeping operations.

Resource requirements (at current rates)*Posts*

- 30.18 The requirement of \$675,000 would provide for the salaries and common staff costs of one D-1, one P-3 and two General Service posts funded on an inter-agency basis.

Insurance

- 30.19 The cost for interorganizational insurance is estimated at \$3,600,100. This relates to the provision of life insurance coverage, which has been obtained on a system-wide basis beginning 1 January 1990 for staff members required to work in areas which, as determined by the United Nations Security Coordinator, might involve certain risks.
- 30.20 Coverage is related to malicious acts only, that is, for death or disability caused directly by war, invasion, acts of foreign enemies, hostilities, civil war, revolution, rebellion, insurrection, military or usurped power, riots or civil commotion, sabotage, explosion of war weapons, terrorist activities, murder, assault by foreign enemies or any attempt thereof.
- 30.21 The following categories of staff are covered by this policy: internationally recruited staff assigned to a duty station, internationally recruited staff, experts and consultants on official mission/travel/daily subsistence allowance status and other United Nations official visitors in the designated countries, internationally recruited General Service staff as well as all staff paid on the basis of the Field Service category and locally recruited staff members (coverage is for service-incurred events only, including travel to and from the workplace).

Other staff costs

- 30.22 An estimated requirement of \$2,000 would provide for overtime during peak workload periods, including during emergency security situations.

Travel

- 30.23 A provision of \$198,100 is proposed to cover the cost of attending two ad hoc inter-agency meetings and of undertaking 24 security missions, as mandated by the Administrative Committee on Coordination.

General operating expenses

- 30.24 An estimated requirement of \$52,700 would provide for communications, including long-distance telephone and facsimile charges and cable charges and the Office's share of maintenance and support of the LAN technical infrastructure (including central servers) necessary for the support of central management services such as e-mail and UNIX for IMIS.

Supplies and materials

- 30.25 An estimated amount of \$6,500 would provide for office supplies and facsimile machines.

Furniture and equipment

- 30.26 The requirement of \$9,700 relates to the replacement of office automation equipment.

F. Pension payments to former Secretaries-General

Table 30.10 **Summary by object of expenditure**
(Thousands of United States dollars)

<i>Object of expenditure</i>	<i>1994-1995 expenditures</i>	<i>1996-1997 appropriations</i>	<i>Resource growth</i>		<i>Total before recosting</i>	<i>Recosting</i>	<i>1998-1999 estimates</i>
			<i>Amount</i>	<i>Percentage</i>			
Non-staff compensation	—	420.5	203.5	48.3	624.0	37.3	661.3
Total	—^a	420.5	203.5	48.3	624.0	37.3	661.3

^a The 1994-1995 expenditure of \$353,300 had been reported under section 1.

Non-staff compensation

- 30.27 The requirement of \$624,000 reflects the provision for retirement allowances of former Secretaries-General.